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# (UN)COMMON LAW PROTECTION OF CERTIFICATION MARKS

*Michelle B. Smit\**

## INTRODUCTION

A quick Google search of “trademark” and “common law” yields a handy booklet published by the United States Patent and Trademark Office (USPTO) regarding everything one needs to know when considering the ideal protection for their trademark.<sup>1</sup> One of the sections in the booklet addresses the question, “Is federal registration of my mark required?”<sup>2</sup> The answer? No.<sup>3</sup> It is well-established that trademarks also exist at common law. However, no such handy booklet exists for certification marks. Although both certification marks and trademarks are protected under the United States Trademark Act (“Lanham Act”), certification marks are fundamentally different. Certification marks indicate collective origin, rather than unique commercial origin, and have specific registration requirements that are inapplicable to trademarks.<sup>4</sup>

So far, there has been no sufficient “yes” or “no” answer to the question of whether certification marks, like trademarks, exist at common law. What little scholarship there is on the matter posits that certification marks *can* develop under common law, but this view is based entirely on a single federal district court opinion and a single Trademark Trial and Appeal Board (TTAB) decision.<sup>5</sup> However, this overgeneralizes the caselaw because, of the

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1 See U.S. PATENT & TRADEMARK OFFICE, U.S. DEP’T OF COMMERCE, PROTECTING YOUR TRADEMARK: ENHANCING YOUR RIGHTS THROUGH FEDERAL REGISTRATION (2016), <https://www.uspto.gov/sites/default/files/trademarks/basics/BasicFacts.pdf>.

2 *Id.* at 10.

3 *Id.*

4 ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 1306.01(b)–(c) (96th rev. ed. 2017).

5 Justin Hughes, *Champagne, Feta, and Bourbon: The Spirited Debate About Geographical Indications*, 58 HASTINGS L.J. 299, 310 (2006) (first citing *Florida v. Real Juices, Inc.*, 330 F. Supp. 428, 430 (M.D. Fla. 1971); then citing *Institut Nat’l des Appellations d’Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d (BNA) 1875, 1885 (T.T.A.B. 1998)).

three types of certification marks, those cases only refer to one specific type.<sup>6</sup> The utility of certification marks would be compromised under a common-law regime, because it would create opportunity for anticompetitive abuses that only a registration-based system could adequately address. While the current federal registration system for certification marks has its own flaws, it can be revised in order to address the specific needs of certification mark enforcement.

Part I of this Note defines and examines the general principles of certification marks. From that foundation, Part II provides an overview of the case law on unregistered common law certification marks. Part III analyzes the reasons why abuses of certification marks would increase under a common-law regime and posits that certification marks, therefore, should only exist under federal law. Finally, Part IV proposes several adjustments that should be made to the current certification mark registration system in order to address existing shortcomings that affect both consumers and third-party businesses.

## I. BACKGROUND OF CERTIFICATION MARKS

### A. Certification Marks

Most consumers are familiar with trademarks and can easily rattle off examples without much thought—NIKE for sports equipment, APPLE for computer products, and LEVI'S for jeans. However, consumers would likely be hard-pressed to conjure an example of a certification mark, let alone to describe the purpose of one.<sup>7</sup> “A certification mark is a special creature created for a purpose uniquely different from that of an ordinary service mark or trademark . . . .”<sup>8</sup> Rather than indicating a unique commercial source, like trademarks, certification marks inform consumers that the goods or services they are purchasing “possess certain characteristics or meet certain qualifications or standards.”<sup>9</sup> The utility of certification marks is not only to prevent public confusion like trademarks, but also to promote healthy competition within the marketplace of a certified product.<sup>10</sup> Some examples of certification marks include Underwriters Laboratories Inc.’s “UL” symbol, used for electrical equipment that meets its safety standards, the Florida Department of Citrus’s “Fresh From Florida” seal,<sup>11</sup> which is used for citrus

6 *Real Juices, Inc.*, 330 F. Supp. at 429; *Brown-Forman Corp.*, 47 U.S.P.Q.2d (BNA) at 1883 (referencing geographic marks).

7 Michael B. Chesal, *Deciphering Certification Marks*, 47 BROWARD DAILY BUS. A7 (2006) (referring to certification marks as the “lesser-known stepchild of the trademark family”).

8 *In re Fla. Citrus Comm’n*, 160 U.S.P.Q. (BNA) 495, 499 (T.T.A.B. 1968).

9 U.S. PATENT & TRADEMARK OFFICE, U.S. DEP’T OF COMMERCE, GEOGRAPHICAL INDICATION PROTECTION IN THE UNITED STATES 3, [https://www.uspto.gov/sites/default/files/web/offices/dcom/olia/globalip/pdf/gi\\_system.pdf](https://www.uspto.gov/sites/default/files/web/offices/dcom/olia/globalip/pdf/gi_system.pdf).

10 *Idaho Potato Comm’n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 715 (9th Cir. 2005) (citing *Idaho Potato Comm’n v. M & M Produce Farm & Sales*, 335 F.3d 130, 138 (2d Cir. 2003)).

11 Chesal, *supra* note 7.

products grown in Florida that meet certain quality standards, and the “Woolmark” logo on certain knit goods meeting specified percentages of new wool.<sup>12</sup>



Although certification marks may go unnoticed by many consumers, for some consumers of certain products, the presence or absence of a certification mark could determine whether they purchase the product at all.<sup>13</sup>

A certification mark is defined as:

[A]ny word, name, symbol, or device, or any combination thereof—(1) used by a person other than its owner, or (2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce and files an application to register on the principal register established by this chapter, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person’s goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.<sup>14</sup>

Three different kinds of certification marks exist and are distinguished by what they indicate.<sup>15</sup> A certification mark may indicate the following: “1) regional or other origin; 2) material, mode of manufacture, quality, accuracy or other characteristics of the goods/services; or 3) that the work or labor on the goods/services was performed by a member of a union or other organization.”<sup>16</sup>

## 1. Registration of Certification Marks

Like trademarks, all three types of certification marks may be registered under the Lanham Act.<sup>17</sup> An application to register a certification mark must include “[a] statement specifying what the applicant is certifying about

<sup>12</sup> *Woolmark Certification*, WOOLMARK, <http://www.woolmark.com/certification/> (last visited Oct. 18, 2017).

<sup>13</sup> Chesal, *supra* note 7. For example, many health-conscious and religious consumers, such as Jews, Muslims, and Seventh Day Adventists, look for the presence of a reliable Kosher certification mark on food products—such as the OU symbol of the Union of Orthodox Jewish Congregations of America—before purchasing the product. *Id.*; see also Wynn Heh, Comment, *Who Certifies the Certifiers?*, 16 VT. J. ENVTL. L. 688, 690 (2015) (noting that certification marks play an important role in sustainability efforts, because they can guide consumers in purchasing “green goods”).

<sup>14</sup> 15 U.S.C. § 1127 (2012).

<sup>15</sup> U.S. PATENT & TRADEMARK OFFICE, *supra* note 9, at 2.

<sup>16</sup> *Id.*

<sup>17</sup> 15 U.S.C. § 1054.

the goods or services in the application,”<sup>18</sup> and “[a] copy of the certification standards governing use of the certification mark on or in connection with the goods or services specified in the application.”<sup>19</sup> A mark owner must license all who meet those standards to use the certification mark in connection with their goods or services, thus “mak[ing] certification ‘a form of limited compulsory licensing.’”<sup>20</sup>

Several additional statutory standards are unique to certification marks. First, unlike a trademark which is used to indicate the source of the mark owner’s product, the registrant of a certification mark may not produce the goods or provide the services that the certification mark certifies—the mark owner can never place the certification mark on any of its own goods or services.<sup>21</sup> However, the owner of a certification mark is permitted to use its mark in “advertising or promoting recognition of the certification program or of the goods or services meeting the certification standards of the registrant” as long as the “registrant does not itself produce, manufacture, or sell any of the certified goods or services to which its identical certification mark is applied.”<sup>22</sup> The reason for this requirement is “because of the fear that a certifier competing in the marketplace with the goods or services it is certifying would no longer be able to certify objectively based on the certification standard.”<sup>23</sup> This type of abusive certification mark behavior would have anticompetitive effects in the marketplace and usurp the main objective of certification marks.<sup>24</sup>

## 2. Control of Certification Marks

The owner of a certification mark must also control the use of its mark.<sup>25</sup> The statute implicitly recognizes two ways lack of control could result in cancellation of the certification mark registration.<sup>26</sup> The first is a mark owner’s failure to control the use of the mark.<sup>27</sup> Specifically, if a mark owner fails to verify that products or services meet the certification mark standards before granting permission to use the certification mark, it may result

18 37 C.F.R. § 2.45(a)(4)(i)(A) (2012).

19 *Id.* § 2.45(a)(4)(i)(B).

20 *Idaho Potato Comm’n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 716 (9th Cir. 2005) (quoting 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 19:92 (4th ed. 2016)).

21 15 U.S.C. § 1064(5)(B), (C).

22 *Id.* § 1064.

23 Jeanne C. Fromer, *The Unregulated Certification Mark(et)*, 69 STAN. L. REV. 121, 130 (2017).

24 *Id.*; see also *In re Fla. Citrus Comm’n*, 160 U.S.P.Q. (BNA) 495, 499 (T.T.A.B. 1968) (noting that to allow the registrant to use a certification mark on its own goods “will only lead to the dilution and impairment of the purpose and function of a certification mark as well as to practices wholly inconsistent with the public desirability of safeguarding the consuming public from confusion and damage not of its own making”).

25 15 U.S.C. § 1064(5)(A).

26 3 MCCARTHY, *supra* note 20, § 19:92.

27 15 U.S.C. § 1064(5)(A).

in a court finding that the mark owner had a lack of control.<sup>28</sup> For example, in *Midwest Plastic Fabricators, Inc. v. Underwriters Laboratories Inc.*,<sup>29</sup> control was especially important because of the increased risk that consumers would be misled by a certification mark representing specific qualities of the goods that bear the mark.<sup>30</sup> Complete control is not required—the mark owner must only demonstrate “considerable diligence in controlling the use of its marks.”<sup>31</sup> The relevant question is whether control is in fact maintained—not whether the mark owner had a formal quality control system.<sup>32</sup> Additionally, the Federal Circuit held that the registrant is not required to personally test products and services to “declare to the public that items carrying the mark meet the standards.”<sup>33</sup>

The second way a court may find a lack of control is if the certification mark becomes generic.<sup>34</sup> Section 1064(5)(A) implicitly contemplates that if the mark owner “fail[s] to control use of the mark by those other than licensed users,” the mark may no longer certify those goods or services.<sup>35</sup> That result has been likened to the mark becoming generic.<sup>36</sup> Traditional genericide—where the registered certification mark becomes the generic name for the goods or services it certifies—is also grounds for the registration to be cancelled.<sup>37</sup>

The registrant’s use of the mark is strictly limited for purposes to certify.<sup>38</sup> Additionally, a registrant may not “discriminately refuse[ ] to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies.”<sup>39</sup> Failure to adhere to these standards will render the certification mark subject to cancellation.<sup>40</sup> The requirement to license all conforming goods or services coupled with the prohibition of placing the certification mark on the registrant’s own

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28 3 McCARTHY, *supra* note 20, § 19:92.

29 906 F.2d 1568 (Fed. Cir. 1990).

30 *Id.* at 1572.

31 *Midwest Plastic Fabricators, Inc. v. Underwriters Labs. Inc.*, 12 U.S.P.Q.2d (BNA) 1267, 1273, 1275 (T.T.A.B. 1987) (where mark owner had a “vast network of inspectors making hundreds of thousands of inspections of thousands of different products across the country”), *aff’d*, 906 F.2d 1568 (Fed. Cir. 1990).

32 *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d (BNA) 1881, 1888 (T.T.A.B. 2006) (citing *Halo Mgmt., LLC v. Interland, Inc.*, 308 F. Supp. 2d 1019 (N.D. Cal. 2003)).

33 3 McCARTHY, *supra* note 20, § 19:92.

34 *Id.*

35 *Id.*

36 *Swiss Watch Int’l, Inc. v. Fed’n of Swiss Watch Indus.*, 101 U.S.P.Q.2d (BNA) 1731, 1739 (T.T.A.B. 2012) (noting this type of lack of control “is akin to the mark becoming generic”).

37 15 U.S.C. § 1064(3) (2012); *Cnty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 497 (2d Cir. 1962) (noting that if the meaning of a geographical name which is registered as a certification mark on certain goods becomes the principal significance of those goods, the mark is subject to cancellation).

38 15 U.S.C. § 1064(5)(C).

39 *Id.* § 1064(5)(D).

40 *Id.* § 1064.

goods “removes incentives for mark holders to engage in anti-competitive conduct” and appears to be “designed to promote free competition in the market for certified products.”<sup>41</sup>

Although consumer trust is one of the driving factors behind control of certification marks,<sup>42</sup> the reliability of the certification mark is largely left up to the mark owner. The mark owner creates the standards, the mark owner decides what products will bear the mark, and the mark owner convinces consumers that the certification mark reliably ensures the quality standards it represents.<sup>43</sup> Unless the mark owner independently decides to publish information regarding its efforts in preventing unauthorized use of the certification mark, the consumer would probably not be able to get access to that information in order to determine the reliability of a particular mark.<sup>44</sup> Where the mark owner chooses not to publish information about the certification standards, the only check on the certification mark would be the marketplace itself.

### B. *Indications of Regional Origin—One Type of Certification Mark*

The Lanham Act essentially codified existing common law for trademarks.<sup>45</sup> Although the Lanham Act also provides protection for certification marks, there was no preexisting common law for certification marks.<sup>46</sup> The enactment of the Lanham Act in 1946 is regarded as the first time the United States “deliberately and unambiguously embraced . . . certification marks.”<sup>47</sup> Prior to the Lanham Act, the closest thing akin to recognizing collective origin in the United States was characterized under an unfair competition claim. For example, in *Grand Rapids Furniture Co. v. Grand Rapids Furniture Co.*,<sup>48</sup> twenty-five plaintiffs, furniture manufacturers from Grand Rapids, Michigan, sued defendants from Chicago, Illinois, who were furniture manufacturers operating under the same name.<sup>49</sup> The court granted plaintiffs an injunction after finding that defendants’ use of “Grand Rapids” resulted in unfair competition, because “‘Grand Rapids furniture’ [had] acquired in the trade a special significance; and furniture made in [Grand Rapids was] held

41 *Idaho Potato Comm’n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 717 (9th Cir. 2005).

42 Chesal, *supra* note 7.

43 *Id.* (noting a common misconception about “certification marks is that there is some kind of government control over the standards set by the [mark owner]”).

44 *Id.*

45 *Overview of Trademark Law*, HARV. UNIV., <https://cyber.harvard.edu/metaschool/fisher/domain/tm.htm> (last visited Oct. 18, 2017).

46 Sandra Edelman, *How to Infringe a Certification Mark—The Second Circuit Counts the Ways*, TMCA (June 16, 2016), <http://thetmca.com/how-to-infringe-a-certification-mark-the-second-circuit-counts-the-ways/>.

47 Paul Duguid, *A Case of Prejudice? The Uncertain Development of Collective and Certification Marks 2* (Aug. 28, 2011) (unpublished manuscript), <http://people.ischool.berkeley.edu/~duguid/articles/CofP-2.pdf>.

48 127 F.2d 245 (7th Cir. 1942).

49 *Id.* at 246.

by a large part of the purchasing public to be superior in design, workmanship and value.”<sup>50</sup> The *Grand Rapids* case was decided in 1942, four years before the Lanham Act was enacted. Despite never using the term “certification mark,” this case’s significance is its foreshadowing of the idea of protecting collective origin.

The Lanham Act created federal protection for certification marks in the United States and specifically excepted certification marks indicating regional origin from the prohibition against registration of names that are primarily geographically descriptive.<sup>51</sup> Although federal protection of marks indicating collective origin was new to the United States, Europe had been protecting a form of collective origin mark known as geographical indications (“GIs”) for centuries.<sup>52</sup> The term “geographical indication” is generally used to refer to the legal concept at the international level.<sup>53</sup> The comparable protected mark in the United States is the indication of regional origin under the certification mark protection. Certification marks increased in importance in the United States after the United States joined several other nations in signing the Trade-Related Aspects of Intellectual Property Rights Agreement<sup>54</sup> (“TRIPS”) in 1994, which provided minimal standards of protection for GIs internationally.<sup>55</sup>

TRIPS merely requires a minimum-level protection floor for GIs,<sup>56</sup> and “TRIPS is silent as to the *mechanism* of protection and it is understood that each country may fulfill these obligations through its own particular domestic law tools.”<sup>57</sup> Two distinct methods of protecting GIs have evolved.<sup>58</sup> The first method originated in France and involves a centralized system of protection that is widely used in many European countries.<sup>59</sup> The second method is one used in the United States and protects indications of regional origin through existing trademark law—particularly via certification and collection trademarks.<sup>60</sup>

Historically, geographic terms were not eligible for trademark protection in the United States. Trademarks indicate unique commercial source

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50 *Id.*

51 Referring to 15 U.S.C. § 1052(e)(2) (2012).

52 Hughes, *supra* note 5, at 306 (noting that some laws controlling wine labels and use of geographic origin existed in Europe as early as the fourteenth century).

53 Justin Hughes et al., *That’s a Fine Chablis You’re Not Drinking: The Proper Place for Geographical Indications in Trademark Law*, 17 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 933, 934 (2007).

54 Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, 33 I.L.M. 1125, 1197 [hereinafter TRIPS].

55 Hughes, *supra* note 5, at 301 (“[I]t was not until the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement that geographical indication protection joined the ranks of copyright, patents, and trademarks.” (footnote omitted)).

56 See U.S. PATENT & TRADEMARK OFFICE, *supra* note 9.

57 Hughes, *supra* note 5, at 314 (emphasis added).

58 *Id.* at 305.

59 See *id.* at 306–08.

60 *Id.* at 311–14.



whereas geographic terms would, at most, indicate collective origin. Under the Lanham Act, geographic terms or signs are not registerable as valid trademarks if they are geographically descriptive or geographically misdescriptive of where the goods originate.<sup>61</sup> The theory behind not registering these kinds of terms is that other competitors in the geographic area might need to use that term to describe where their product came from, and a single person should not be entitled to exclusive use of the term.<sup>62</sup> Additionally, unlike trademarks, geographic terms do not indicate unique commercial origin—they indicate collective origin. Because geographic terms cannot indicate unique commercial origin, they are incapable of acquiring secondary meaning, because secondary meaning occurs when a mark “has become distinctive as applied to [a single] applicant’s goods or services in commerce.”<sup>63</sup> Therefore, under basic trademark law, a geographic term could never be protectable. The Lanham Act contemplates the impossibility of indications of regional origin qualifying for protection under trademark law, so it specifically excepts indications of regional origin from the prohibition against registration of names that are primarily geographically descriptive.<sup>64</sup>

## II. CURRENT CASELAW ON COMMON-LAW CERTIFICATION MARKS

The common-law argument for certification marks derives from Section 1054 of the Lanham Act:

Subject to the provisions relating to the registration of trademarks, so far as they are applicable, collective and certification marks, including indications of regional origin, shall be registrable under this chapter, in the same manner and with the same effect as are trademarks . . . and when registered they shall be entitled to the protection provided in this chapter in the case of trademarks, except in the case of certification marks when used so as to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used.<sup>65</sup>

The majority of legal scholarship on certification marks asserts that unregistered certification marks, like unregistered trademarks, can be protected at common law.<sup>66</sup> For example, Justin Hughes asserts that “[l]ike other trademarks, certification marks can develop as a matter of common law with-

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61 15 U.S.C. § 1052 (2012).

62 U.S. PATENT & TRADEMARK OFFICE, U.S. DEP’T OF COMMERCE, GEOGRAPHICAL INDICATIONS FAQs, <https://www.uspto.gov/learning-and-resources/ip-policy/geographical-indications/geographical-indications-faqs#488> (last modified Aug. 5, 2016).

63 U.S. PATENT & TRADEMARK OFFICE, U.S. DEP’T OF COMMERCE, TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1212 (Apr. 2017 ed.) [hereinafter TMEP].

64 See *Cnty. of Roquefort v. William Faehndrich, Inc.*, 303 F.2d 494, 497 (2d Cir. 1962); U.S. PATENT & TRADEMARK OFFICE, *supra* note 62 (referring to 15 U.S.C. § 1052(e) (noting the built-in exception for GIs falling under 15 U.S.C. § 1054)).

65 15 U.S.C. § 1054.

66 3 MCCARTHY, *supra* note 20, § 19:90 (noting that even “[t]he Restatement takes the position that certification marks do exist at common law”).

out USPTO registration.”<sup>67</sup> Scholars often cite *Florida v. Real Juices, Inc.*<sup>68</sup> and *Institut National Des Appellations d’Origine v. Brown-Forman Corp.*<sup>69</sup> as the seminal cases in support of this assertion.<sup>70</sup>

However, current legal scholarship fails to address the distinction that the caselaw only addresses one specific category of certification marks—indications of regional origin. This Part of the Note will provide an overview of the two seminal cases regarding common law rights of certification marks, and Part III will analyze the reasons such common-law precedent should not be extended to certification marks, or at the very least, should not be extended beyond indications of regional origin.

In *Florida v. Real Juices, Inc.*,<sup>71</sup> the State of Florida’s Department of Citrus (DOC) sued a corporation called Real Juices, Inc., for using the name “Sunshine Tree” on orange juice products.<sup>72</sup> DOC claimed “Sunshine Tree” violated its common-law certification mark used on citrus products originating in Florida.<sup>73</sup> DOC had not registered its certification mark, but it claimed it had developed common-law rights in “Sunshine Tree” through television, radio, and newspaper advertising.<sup>74</sup> The issue before the court was “whether federal trademark law protects an unregistered common law certification mark.”<sup>75</sup> The court held that there was “no determinative substantive distinction between certification marks and trademarks” and that “rights in an unregistered certification mark can be acquired in the same manner as they can in trademarks.”<sup>76</sup>

Nearly three decades later, the TTAB reviewed an opposition against an intent-to-use application for the mark “CANADIAN MIST AND COGNAC” for “an alcoholic beverage consisting primarily of a mixture of Canadian whiskey and cognac.”<sup>77</sup> The Bureau National Interprofessionel du Cognac (BNIC) challenged the application on the grounds that “Cognac” was a well-known geographical mark, and its use was thus restricted by French law to distilled spirits that met a certain quality standard and were produced in the Cognac region of France.<sup>78</sup> BNIC further asserted that the term “Cognac” was a common-law certification mark under 15 U.S.C. § 1127,<sup>79</sup> because “purchasers primarily understand the designation COGNAC to refer to brandy

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67 Hughes, *supra* note 5, at 310; Deborah J. Kemp & Lynn M. Forsythe, *Trademarks and Geographical Indications: A Case of California Champagne*, 10 CHAP. L. REV. 257, 290 (2006).

68 330 F. Supp. 428 (M.D. Fla. 1971).

69 47 U.S.P.Q.2d (BNA) 1875 (T.T.A.B. 1998).

70 Hughes, *supra* note 5, at 310 n.61.

71 330 F. Supp. 428.

72 *Id.* at 429.

73 *Id.*

74 *Id.* at 429–30.

75 *Id.* at 430.

76 *Id.*

77 *Institut Nat’l Des Appellations d’Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d (BNA) 1875, 1877 (T.T.A.B. 1998).

78 *Id.*

79 *Id.*

originating in the Cognac region of France, and not to brandy produced elsewhere.”<sup>80</sup> The TTAB held that “Cognac” was indeed a “common law regional certification mark.”<sup>81</sup> It distinguished that the issue was not whether consumers were aware of the certification function of the mark; rather, the issue was whether the consumers understood the mark meant the goods only came from the *region* named in the mark.<sup>82</sup>

### III. CERTIFICATION MARKS SHOULD NOT EXIST AT COMMON LAW

#### A. *Current Landscape*

Those two cases form the primary precedent cited for the argument that certification marks enjoy common-law protection. However, the caselaw only addresses one specific kind of certification marks—indications of regional origin. Therefore, no authority has held that the other two types of certification marks have any protection outside federal registration.<sup>83</sup> Section III.B addresses current shortcomings of certification mark protection that would be exasperated if certification marks were allowed common-law protection, and Part IV proposes some changes to the existing registration system in order to curb some of the abuses. The shortcomings and proposed solution are relevant to all three types of certification marks; however, because of the existing caselaw regarding common-law protection of indications of regional origin, the focus of this Note will be on the other two types of certification marks: (1) marks indicating “material, mode of manufacture, quality, accuracy or other characteristics of the goods/services;” and (2) marks indicating “that the work or labor on the goods/services was performed by a member of a union or other organization.”<sup>84</sup> Increasing registration requirements for two types of certification marks is the second-best solution to addressing all three, at least until more authority confirms whether indications of regional origin will continue to have common-law protection.<sup>85</sup>

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80 *Id.* at 1885.

81 *Id.*

82 *Id.*

83 However, given the language of Section 1054, it is not unreasonable to argue that courts have, in effect, swept all three types of certification marks included in the definition of Section 1127 under the common law protection established by courts for certification marks of regional origin. An argument for extending common law protection to all types of certification marks can also be found in the statutory language itself: “[C]ertification marks, including indications of regional origin, shall be registrable under this chapter, *in the same manner and with the same effect as are trademarks*” and “[t]he term ‘mark’ includes any trademark, service mark, collective mark, or certification mark.” 15 U.S.C. § 1054 (2012) (emphasis added); *Id.* § 1127.

84 U.S. PATENT & TRADEMARK OFFICE, *supra* note 9, at 2.

85 There is a statutory argument that the courts that held indications of regional origin have common law protection erred in judgment. Section 1054, even after the 1988 revisions, provides that certification marks “[s]ubject to the provisions relating to the registration of trademarks, *so far as they are applicable* . . . shall be registrable under [the Lanham Act].” 15 U.S.C. § 1054 (emphasis added). Section 1054 concludes with, “[a]pplications

Certification marks differ fundamentally from trademarks in ways that render certification marks ill-suited for common-law protection. Unlike trademarks, certification marks indicate the presence or absence of *specific* quality standards, the mark owner is not the one using the mark, but rather, must allow anyone else who meets the specified standards to use the mark, and, therefore, indicate collective rather than unique commercial origin. Given these differences, certification marks ought to *only* have protection if they are federally registered and comply with the additional proposed requirements detailed in Part IV of this Note.

### B. Certification Marks Are Ill-Suited for Common-Law Protection

The common-law system is ill-suited for certification marks and would exasperate existing flaws in certification mark protection and undermine the goals of certification marks. Current shortcomings of certification mark protection—abuse of certification standards, weak or nonexistent enforcement of those standards, and inaccessibility of information that results in anticompetitive consequences—would all worsen under a common-law certification mark regime, but can be strengthened under a purely registration-based system.

#### 1. Standard Abuse

Essentially, no structured policing or regulation of certification standards exist, which results in abusive standard revision and anticompetitive behavior by certification mark owners that would worsen under a common-law regime. Although registrants are required to provide the USPTO with information about the certifying standard, a degree of detail is not mandated.<sup>86</sup> When applying for registration for a certification mark, the registrant need only provide a copy of the standards they created, and the law requires no level of specificity.<sup>87</sup> This has resulted in fluid and vague certification mark standards and anticompetitive abuses where the mark owner is able to purposefully revise its standards to exclude certain businesses.<sup>88</sup>

Certification mark owners have preserved flexible certification mark registration standards by not publishing concrete or comprehensive information about their certification standards. This allows them to remain free to change their standards—sometimes the change is necessary to adapt to what consumers expect the certification mark to mean and to address changes in terms of what quality is expected in the marketplace. The freedom to change

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and procedure under this section shall conform *as nearly as practicable* to those prescribed for the registration of trademarks.” *Id.* (emphasis added). This language indicates an intent to create protection for certification marks distinct from trademarks.

<sup>86</sup> Fromer, *supra* note 23, at 160 (citing 37 C.F.R. § 2.45(a) (2012)).

<sup>87</sup> 37 C.F.R. § 2.45(a)(4)(1)(B) (only requiring applicant to submit “[a] copy of the certification standards”).

<sup>88</sup> Fromer, *supra* note 23, at 158.

standards, however, also results in anticompetitive abuses.<sup>89</sup> Certifiers must be permitted to maintain some level of flexibility in order to adapt to consumers' expectations, because the success of a certifier depends largely on how much the consumers of the goods and businesses that provide the goods trust the certifier and the standards that are represented by the certification mark.<sup>90</sup> If the expectations deviate too far from the reality of the certification standards, trust will be diminished.<sup>91</sup>

However, too much flexibility in certification standards harms healthy competition in the marketplace, which is an objective of certification marks.<sup>92</sup> Certification mark standards are not intended to be private to a business—they are meant “to be specified and publicly available.”<sup>93</sup> Without sufficient regulation, too much flexibility in the standards can lead to the unfair use of certification marks to favor certain businesses over others, instead of its intended purpose of truthfully and accurately representing the absence or presence of certain quality standards to consumers and competitors.<sup>94</sup> This is an anticompetitive behavior because it involves businesses being denied the certification—not because of insufficient standards of quality—but because of the certifier's ulterior motives.<sup>95</sup> The excluded business is hurt competitively to the extent the businesses that were granted the certification mark benefit from the designation.<sup>96</sup>

This compromises the competitive purpose of mark certification, which is to indicate “a standard's presence or absence for particular goods and services—nothing more and nothing less.”<sup>97</sup> Therefore, when a certifier manipulates the flexibility of certification standards in order to provide or withhold the mark from businesses for reasons other than the presence or absence of the specified standard, it is improper (ab)use of the certification mark system. These abuses occur even under the existing federal registration system for certification marks, so these abuses would only worsen under a common-law regime where enforcement would occur retroactively via the court system. Without regulations threatening cancellation of the mark for proper application of standards or an administrative entity policing the certification standards, mark owners under a common-law regime would have little incentive to strictly define or apply their certification mark standards. The only threat would be a lawsuit, but even if a competitor did eventually file a suit for standard abuse (assuming it noticed the abuse in the first place), it is only a retroactive solution at best. The anticompetitive harm would have already been inflicted on competitors and consumers. Loose

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89 *See id.* at 160, 163–64.

90 *See id.* at 161–62.

91 *Id.* at 164.

92 *See id.* at 163–64.

93 *Id.* at 163.

94 *See id.* at 164.

95 *See id.*

96 *Id.*

97 *Id.*

standards are a threat to intellectual property law, because “IP rights are fundamentally exclusionary and need clear justifications [and standards] because they affect ‘what [people] may do, how they may speak, and how they may earn a living.’”<sup>98</sup> The current shortcomings of the registration system will be addressed by proposed solutions in Part IV, but it is clear that standard abuses would only increase under common-law protection.

## 2. Enforcement Problem

Separate from the problem of standard abuse due to the flexibility permitted by the Lanham Act (and even more so if common law were to apply) is the initial problem of *how* to enforce the standards the mark owner establishes. Despite requiring submission of certification standards upon applying for registration, the government does not control the standards the mark owner uses.<sup>99</sup> Section 1064 requires that a certifier maintain control over its certification mark or its registration may be cancelled; however, it fails to define what level of “control” is required.<sup>100</sup> Nevertheless, complete control “would be impracticable, if not impossible,” so the relevant question is what level of control is adequate.<sup>101</sup>

Under a common-law regime, there would be even less control and enforcement over certification standards, particularly because of certain inherent financial incentives.<sup>102</sup> Because certification mark owners are prohibited from using the mark on their own goods,<sup>103</sup> the financial drive behind establishing and maintaining a certification mark lies in fees earned per issued certification.<sup>104</sup> The monetary and reputational success associated with issuing certifications would likely prevail over many certifiers’ desires to enforce standards reliably, thus resulting in certification marks on products that fall short of the quality standards. Understandably, “consumers are often skeptical about the legitimacy of [certification mark] programs where the business interests of the [certifiers] may conflict with consumer interests.”<sup>105</sup> Common law protection would be a breeding ground for consumer distrust regarding the legitimacy of certification mark programs given the financial and reputational incentives left unchecked.

Over time, the marketplace may serve to address this issue of control. If a certifier fails to control its certification mark, in theory, the certification

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98 DEV GANGJEE, *RELOCATING THE LAW OF GEOGRAPHICAL INDICATIONS* 8 (William R. Cornish et al. eds., 2012) (second alteration in original) (quoting Jeremy Waldron, *From Authors to Copiers: Individual Rights and Social Values in Intellectual Property*, 68 CHI-KENT L. REV. 841, 887 (1993)).

99 See Fromer, *supra* note 23, at 126 (citing 3 McCARTHY, *supra* note 20, § 19.91)

100 See 15 U.S.C. § 1064(5) (2012).

101 *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d (BNA) 1881, 1888 (T.T.A.B. 2006).

102 See Fromer, *supra* note 23, at 155.

103 15 U.S.C. § 1064(5).

104 See Fromer, *supra* note 23, at 155.

105 Heh, *supra* note 13, at 705.

mark would lose meaning in the eyes of competitors and consumers. In losing meaning, the certification mark would also become less valuable (or valueless). However, this self-policing theory fails under several scenarios. First, slight revisions to certification standards or the occasional failure to enforce them may not be enough for consumers and competitors to notice. But the slight revisions would nevertheless allow the mark owner to improperly allow some to use the mark and prevent others from using the mark. Second, consumers and competitors may catch on to the certifier's lack of control, but by the time they notice, the anticompetitive damage may have already been inflicted. This is particularly problematic when certification standards are complex or not easily observed. The self-policing marketplace theory is, therefore, not the ideal solution to address existing certification mark abuses.

The current system for registration of a certification mark struggles with this enforcement problem as well. After a business is granted its certification mark registration, "neither the USPTO nor any other public agency regularly oversees . . . the standards supposedly represented by a [certification mark]."<sup>106</sup> The most analogous example of oversight existing for certification marks is that the Lanham Act permits a petition of cancellation to be filed by "any person who believes that he is or will be damaged" by the mark owner's lack of control over the standards<sup>107</sup> and that "any person" includes the Federal Trade Commission (FTC).<sup>108</sup> While it has been noted that one objective of certification marks is to protect consumers, it is not clear whether consumers (as opposed to business competitors) are permitted to file a petition to cancel registration of a certification mark.<sup>109</sup> Even if they were, it is unlikely that an individual consumer, realizing the certified good they purchased falls short of the certification standards, would have the resources to enact a legal suit against a more sophisticated mark owner.

### 3. Anticompetitive Consequences of Inaccessibility of Information

Both consumers<sup>110</sup> and competitors are the relevant public who need to have access to the certification standards, and, under a common-law regime,

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106 Margaret Chon, *Marks of Rectitude*, 77 *FORDHAM L. REV.* 2311, 2335 (2009).

107 15 U.S.C. § 1064.

108 *Id.* ("[T]he Federal Trade Commission may apply to cancel on the grounds specified in paragraphs (3) and (5) of this section.").

109 *See Chon, supra* note 106, at 2335–36 (citing *Halicki v. United Artists Commc'ns, Inc.*, 812 F.2d 1213, 1214 (9th Cir. 1987)).

110 Besides competitors, consumers are the other relevant group that has a stake in publishing certification mark standards. *See David J. Kera & Theodore H. Davis, Jr., United States Annual Review: The Fifty-Seventh Year of Administration of the Lanham Trademark Act of 1946*, 95 *TRADEMARK REP.* 5, 15, 20 (2005). Additional proof that consumers are a relevant audience of certification marks is that consumers are considered when determining whether a certification mark has fallen subject to genericide. *Id.* at 28 (citing *Magic Wand, Inc. v. RDB, Inc.*, 940 F.2d 638 (Fed. Cir. 1991)). An alternative view is that certification marks are analogous to trademarks, and for trademarks, consumers do not need to know the *specifics* of the product's quality, just that the product's quality is *consistent*. William R. Landes & Richard Posner, *Trademark Law: An Economic Perspective*, 30 *J.L. & ECON.* 265,

certification mark owners would have little to no incentive to publish the standards governing their marks.<sup>111</sup> Consumers sometimes base their decision to purchase a product on the presence or absence of a certification mark,<sup>112</sup> and competitors must have access to the certification standards if they are to know whether they are eligible to use the mark. An owner of a certification mark must grant use of the certification to all products and services that meet the standards the mark owner establishes and controls.<sup>113</sup>

The system begins to break down when the owner of the mark either revises its standards to selectively exclude disfavored corporations or fails to publish standards so that consumers and competitors are unable to determine if the certification mark is being issued to inferior goods (or being withheld from sufficient or superior goods). Besides the requirement to submit standards with the application for registration, there is no requirement for mark owners to make the standards governing their certification marks publicly available. Unless the mark owner voluntarily decides to publish its standards, they are unavailable to the public. For example, the registration for the certification mark “Good Housekeeping” does not list any certification standards.<sup>114</sup> In fact, the prosecution history is silent as to whether standards were submitted at all. Presumably they were, because mark owners are required to provide the USPTO with a copy of the standards to attain registration;<sup>115</sup> however, the silence by the USPTO regarding the standards illustrates the magnitude of the inaccessibility problem. Failure to require and regulate publication of certification mark standards diminishes the competitive goal of certification marks by failing to provide consumers and competitors with information about the product or service’s quality characteristics.

For consumers, having access to the standards is especially important, because the presence or absence of a certification mark could determine whether they purchase the product at all.<sup>116</sup> If the certification mark standards are unclear, consumers could “suffer [by being misguided into unin-

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268–70 (1987). However, a certification mark, by nature, does more than merely indicate consistent quality. Certification marks also seek to assure the consumer that the product they are purchasing meets *specific* quality standards—not just that one product is as good as the last or that it is coming from the same source. U.S. PATENT & TRADEMARK OFFICE, *supra* note 9, at 3; *see also* *Midwest Plastic Fabricators, Inc. v. Underwriters Labs. Inc.*, 906 F.2d 1568, 1572 (Fed. Cir. 1990) (noting that control over the mark is important because of the increased risk that consumers would be misled by a certification mark representing specific qualities of the goods that bear the mark).

111 Perhaps the only incentive being out of sheer goodwill.

112 Chesal, *supra* note 7.

113 In this way, certification marks tend to resemble a form of compulsory licensing. *Idaho Potato Comm’n v. G & T Terminal Packaging, Inc.*, 425 F.3d 708, 716 (9th Cir. 2005) (citing 3 MCCARTHY, *supra* note 20, § 19:91).

114 LIMITED WARRANTY TO CONSUMERS: GOOD HOUSEKEEPING SINCE 1909 REPLACEMENT OR REFUND IF DEFECTIVE, Registration No. 3,770,704.

115 U.S. PATENT & TRADEMARK OFFICE, U.S. DEP’T OF COMMERCE, CERTIFICATION MARK FORM, PRINCIPAL REGISTER (2017).

116 Chesal, *supra* note 7.



formed purchases] by not having an accurate sense of what a certification represents.”<sup>117</sup> The inaccessibility of certification standards is a problem under both a registration-based system and especially under a common-law system. One could argue that the judicial system is a potential fix for either system, because if a competitor or consumer suspects standard abuse, they could bring a lawsuit. However, as addressed previously, that would be a retroactive remedy that would fail to prevent anticompetitive abuses before they arise. Furthermore, even if a party could successfully bring a suit, they would bear the burden “to demonstrate by a preponderance of the evidence that [the certification mark in question] is generic, or that the mark has become generic as a result of [the mark owner’s] failure to exercise control over use of the mark.”<sup>118</sup> Given this burden of proof, a third-party competitor business or consumer would face a much larger risk in bringing a lawsuit than if a strictly registration-based system established clear publishing guidelines for standards. Under a common-law system without publishing requirements, a competitor may not even be aware that the certification mark owner had lost control of its mark under such limited access to standards.<sup>119</sup> If clear publishing guidelines were established, the relevant competitors and consumers would be aware of the certification standards and could more effectively allocate resources towards only those claims against mark owners they believe are truly misusing the standards.

#### IV. PROPOSED SOLUTION

Certification marks are inherently unfit for common-law protection and should be enforced under a purely registration-based protection system.<sup>120</sup> Lanham Act registration functions to provide competitors with constructive notice of what products and corresponding standards the certification mark designates.<sup>121</sup> Registration also “promotes market efficiency by providing consumers with a direct way” to locate information regarding the certification mark.<sup>122</sup> Additionally, registration is *prima facie* evidence of the validity of the certification mark and the standards it represents.<sup>123</sup> The benefits of registration are even more relevant to certification marks than they are to trademarks given that consumers tend to interpret the presence or absence

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117 Fromer, *supra* note 23, at 165.

118 *Tea Bd. of India v. Republic of Tea, Inc.*, 80 U.S.P.Q.2d (BNA) 1881, 1887 (T.T.A.B. 2006).

119 *See* Fromer, *supra* note 23, at 165 (noting that it is extremely difficult for third-party businesses in the marketplace to “notice something amiss with a certification standard” in the first place).

120 As noted in Section III.A, the shortcomings noted in Section III.B and proposed solutions in Part IV address all three types of certification marks, but due to existing caselaw regarding indications of regional origin, for the purposes of this Note, the following proposals address certification marks that do not indicate regional origin.

121 *Kemp & Forsythe*, *supra* note 67, at 263.

122 *Id.*

123 *Id.*

of a certification mark on a product as a statement of truth regarding a message of quality.<sup>124</sup> The quality assurances that certification marks communicate to consumers are not meant to be retroactively enforced and regulated via lawsuits from third-party businesses. A purely registration-based system of certification marks will benefit consumers by creating more predictability in marks, more proactive regulation of marks, and increased incentives for certifiers to apply standards reliably and competitively.<sup>125</sup>

However, the problems with certification mark enforcement discussed in Section III.B—the abuse of certification standards, the weak or nonexistent enforcement of those standards, and the inaccessibility of information that results in anticompetitive consequences—continue to exist even under the current federal registration regime. Although a common-law system would only exacerbate these problems, the registration system has failed to do enough to monitor certification marks and ensure they are providing consumers and competitors with the utility they purport to provide. For example, although registrants must provide standards for the certification mark with their application, nothing describes a particular level of detail required for those standards. Once registered, mark owners are not subjected to audits regarding control over their certification mark standards. Moreover, the existing certifiers generally have developed entrance barriers by virtue of their certification standard abuse that are sufficient to deter and prohibit any emergent competition in the marketplace.<sup>126</sup> In order to counter these deficiencies in the certification system, measures must be implemented “to increase the checks and balances within [the certification mark] system.”<sup>127</sup> The proposed solution to the inadequacies of the current registration system involves a procedural overhaul including increased specificity requirements of certification standards, public disclosure of certification standards upon filing and for each subsequent revision, periodic audits, and required record keeping of all decisions to either grant or deny use of the mark to third parties.

#### A. *Increased Regulation of Certification Mark Standards*

Although increasing regulation of certifiers may seem like an obvious solution, what is not obvious is the form that increased regulation should take. Jeanne Fromer notes two possible solutions: (1) a substantive approach where the government would define the certification mark standards, and (2) a procedural approach where regulations would provide oversight that is

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124 3 McCARTHY, *supra* note 20, § 19:91 (“One who sees . . . a certification mark on a product or in connection with a service is entitled to assume that that product or service in fact meets whatever standards of safety or quality have been set up and advertised by the certifier.”).

125 Chesal, *supra* note 7 (observing that federally registered certification marks have the ability to rely on statutory damages under the Federal Trademark Act’s counterfeiting provisions).

126 Fromer, *supra* note 23, at 165.

127 Chon, *supra* note 106, at 2329.

lacking over private certifiers' processes of crafting, disclosing, revising, and applying certification standards.<sup>128</sup> These two proposed solutions beg the question of whether the entire problem is procedural. Fromer argues that the substantive approach is not a realistic solution to the shortcomings of the certification mark system because it undermines the objectives of fostering a competitive market by having the government, rather than the business, define the standards.<sup>129</sup> Although one current problem is the ability of certifiers to revise standards to refuse certification to certain companies, a certain level of flexibility in revising standards is desirable in order to adapt to market changes and consumer preferences.<sup>130</sup> However, companies are closer to the marketplace and consumers than the government, so the substantive approach would result in inflexible standards that would become obsolete, as they were incapable of adapting to changes.

Fromer proposes that the more realistic solution to the shortfalls of certification marks is a combination of procedural changes such as increased regulations and oversight of publication of certification standards, notice and comment forums for revisions of standards, and audits of certification decisions by the government.<sup>131</sup> This proposed combination would help decrease standard abuse, enforcement problems, and increase accessibility of certification standards—the three main problems that plague certification mark protection. While an increase in procedural regulation will help curb many of the existing abuses, eventually the certification mark system may need to be reevaluated to determine what level of substantive involvement the government ought to have. In certain situations, procedure has proven inadequate to solve certain dilemmas. For example, where several mark owners use similar terms but do not use them for consistent meanings, a substantive government intervention may be necessary to clarify the meaning of the terms.<sup>132</sup>

Increased oversight of certification standards would involve the USPTO, which would determine whether the proposed standard was sufficiently specific and comprehensive. Ideally, the legislature would clarify what level of specificity is required of applicants when submitting standards, because current law merely requires the applicant to submit “[a] copy of the certification standards.”<sup>133</sup> Historically, extremely vague standards have been deemed sufficient to get initial registration.<sup>134</sup> For example, a PG-13 movie certification merely provided that a movie with a PG-13 rating would be one that “in

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128 Fromer, *supra* note 23, at 173.

129 *Id.* at 178.

130 *Id.* at 177.

131 *Id.* at 182–89.

132 *Id.* at 175. It is not always the case that the mark owner is more in touch with consumers than the government. For example, in 1990 the government had to intervene and pass the Organic Foods Production Act to address inconsistent certification standards for organic foods. *Id.*

133 37 C.F.R. § 2.45(a)(4)(i)(B) (2012).

134 Fromer, *supra* note 23, at 183 (providing the MPAA's PG-13 certification as an example of a very vague certification standard that was granted registration).

the opinion of the [MPAA], contains . . . nudity, language, sensuality, treatment of theme, and violence such that parents should exercise caution before allowing their children under thirteen years of age to attend.”<sup>135</sup> That certification standard depended on both the opinion of the MPAA and the parents of such children and did not specify the threshold limits of nudity, language, etc., that would trigger the standard. Nevertheless, under the current federal registration requirements, this standard was sufficient. This level of vagueness in certification standards sets the foundation for future anticompetitive abuses by the mark owner. Short of substantive intervention, applying for registration ought to require more from the applicant than a mere recital of vague standards based solely on opinion. Standards should contain some level of concrete standards by which competitors can ascertain whether their goods or services qualify and, in the case of an alleged lack of control, the judicial body examining the standards can judge whether there has been improper use of the mark.

Requiring increased specificity in terms of the certification standards disclosed upon filing for registration would be pointless without subsequent review of those tests to ensure they are being implemented fairly.<sup>136</sup> USPTO examiners are not experts on the certification standards (both because they are not the closest to the marketplace and because it would be logistically impossible for them to be experts on standards of all marks), so the USPTO could publicly disclose the proposed certification standards to the relevant public (consumers of the product and interested third-party businesses) to solicit their opinions as to whether the disclosed standard is sufficiently specific and comprehensive.<sup>137</sup> Other areas of IP law, such as patent law, employ the input of outside experts to evaluate whether the application is sufficient.

Alternatively, the certification mark owner could be required to disclose its certification standards in a forum accessible to interested parties. Although consumers are considered a relevant party, having access to the certification standards is probably more important to competitors in the marketplace who are interested in using the mark on their own goods or services. Therefore, simply publishing certification standards on the mark owner’s website would provide access to interested parties. The mark owner should be required to post its original certification standards and post updated standards each time it revises its standards. Although this will certainly place

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135 *Id.* (first alteration in original).

136 *Id.* at 185.

137 *Id.* However, others may argue that although the USPTO is a gatekeeper, it “is not responsible for policing how registered trademarks are used.” Heh, *supra* note 13, at 713 (“Trademark law developed to prevent use of trademarks in an inappropriate manner, not to provide causes of action to misled consumers or indirect competitors in unfair competition claims.”). Another proposed solution was to utilize the FTC to police misuse of certification marks. Emily Nation, Comment, *Geographical Indications: The International Debate over Intellectual Property Rights for Local Producers*, 82 U. COLO. L. REV. 959, 1006 (2011) (arguing that GI protection in the United States could benefit from an FTC that aggressively fought deceptive geographic advertising).

additional burdens on the mark owner (especially if the nature of the certified good or service is one that requires frequent revisions to the standards), the burdens are not undue, because if the mark owner is spending the time and effort on revising the standards, it is reasonable to require them to publish their work product.

A few minor revisions have already been made regarding when mark owners must disclose their certification standards, but much more must be done for the statutes to have any teeth. Nevertheless, the very fact that these revisions were made indicates that increasing procedural requirements is a step toward resolving some of the certification mark abuses. For example, originally, certification standards were only required to be disclosed with the application for registration, but no level of specificity was required. Now, certification mark owners must periodically file with the USPTO that they continue to use the certification mark (or have not used it for an excusable reason).<sup>138</sup> Additionally, the mark owner must now disclose whether its certification standards have changed and, if so, provide the USPTO with the new standards.<sup>139</sup>

These revisions are a step in the right direction of carrying out the intended goals of the certification mark system and it further highlights why common law protection of certification marks is not a desirable, or even feasible, option. It is the incentive to maintain registration that prompts the certification mark owner to file periodic revisions with the USPTO. Without the incentive of maintaining registration, certification mark owners could revise standards without disclosing those revisions until they were brought to court by an affected party (if they were caught and assuming the affected party had the resources to commence a lawsuit). Incentives of maintaining registration include presumption of validity in the case of an infringement lawsuit as well as the option of receiving statutory damages.<sup>140</sup> Owners of federally registered certification marks may be entitled to statutory damages under the Lanham Act's counterfeiting provisions in Section 1117(c).<sup>141</sup> However, the recent revisions fail to do enough, particularly because the requirement to periodically file with the USPTO regarding continued use of a certification mark only occurs between the fifth and sixth years of registration, again between the ninth and tenth years, and between every ninth and tenth year going forward.<sup>142</sup> Under those requirements, a certification mark owner still

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138 15 U.S.C. §§ 1058, 1059 (2012); 37 C.F.R. §§ 2.161, 7.37 (2012) (between the fifth and sixth years, ninth and tenth years, and between every ninth and tenth year of registration going forward).

139 Fromer, *supra* note 23 at 160 (citing Changes in Requirements for Collective Trademarks and Service Marks, Collective Membership Marks, and Certification Marks, 80 Fed. Reg. 33,170, 33,182–83 (June 11, 2015) (codified at 37 C.F.R. pts. 2 and 7) (changes in 37 C.F.R. §§ 2.161, 7.37)).

140 Chesal, *supra* note 7 (federally registered certification marks have the ability to rely on statutory damages under the Federal Trademark Act's counterfeiting provisions).

141 *Id.* (citing Idaho Potato Comm'n v. G & T Terminal Packaging, Inc., 425 F.3d 708 (9th Cir. 2005)).

142 See *supra* note 138 and accompanying text.

has a minimum five years, and at the most ten, during which it may alter its certification standards and not be required to publish them, thus providing a window of opportunity for anticompetitive abuses.

Even more disclosure of certification standards is necessary in order to truly realize the objectives of certification marks in preventing consumer confusion and promoting healthy competition in the marketplace. Generally, increased disclosure of certification standards would allow both businesses and consumers to monitor whether a “[mark owner’s] certification practice diverges from the articulated test.”<sup>143</sup> If the certification mark realm is truly about trust between the mark owner, consumers, and other third-party businesses that the products bearing the mark embody the quality standards, then mark owners should willingly subject certification tests to regular, public audits as a demonstration of their good faith effort to administer the test fairly and solely based on the presence or absence of the standards. In following the trend of recent revisions, the USPTO would be the ideal entity at this point to carry out these periodic audits.

In addition to increasing the specificity required of certification standards and requiring the standards to be published, Fromer suggests that mark owners be required to disclose all decisions regarding granting or denying use of its certification marks.<sup>144</sup> This would enable competitors in the marketplace seeking certification to learn why decisions were made and whether the decisions are consistent with the published certification test. Requiring publication of the “precedent” would not only encourage mark owners to control use of its certification mark more consistently in the first place, but would also provide courts with a detailed record of past decisions. This detailed record would help courts determine whether the mark owner had been using the mark improperly.

However, even this approach has shortcomings. First, there is the issue of to whom mark owners should be required to report their decisions. In order to have any reliable precedential value, decisions ought to be reported to a third party. If mark owners were permitted to privately record their decisions, abuses could arise in the form of selective record-keeping and revisionism. The USPTO is the most obvious entity to whom mark owners could be required to report decisions.<sup>145</sup> Second, there is an issue of what level of specificity is required in record-keeping of decisions to grant or deny use of the mark. For example, in its own form of record-keeping of movie ratings decisions, the MPAA was sometimes very specific (“Rated PG for brief mild

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143 Fromer, *supra* note 23, at 182.

144 *Id.* at 190.

145 The USPTO is the most obvious entity because the USPTO is responsible for initial review of certification standards, and the USPTO has been deemed the ideal entity to lead all the proposed regulation increases. However, an additional problem, beyond the scope of this Note, is whether the USPTO has the resources or time to be able to handle all of these additional certification mark requirements. Successful and efficient implementation of these proposed solutions may require establishing a new entity entirely devoted to certification marks.

language and an adolescent punch in the nose”) and sometimes still vague (“Rated PG for quirky situations, action and mild language”).<sup>146</sup> Additional regulations would have to be passed in order to flesh out these issues before such precedential record keeping would be a viable solution.

### B. *Continued Shortcomings*

For any of these proposed solutions to sufficiently address standard abuse, the enforcement problem, and the inaccessibility of certification standards, there can be no common-law protection for certification marks. If there were common-law rights for certification marks, there would be no incentive to register a mark. In fact, there would be incentives *not* to register a mark because it would avoid the proposed requirements of publishing standards, notifying the USPTO and relevant public when the standards were revised, and recording decisions.<sup>147</sup>

Even if all these proposed solutions were implemented, there will still be certification mark owners who manage to abuse the system and wield certification marks in an anticompetitive manner. Additionally, there is a risk of going too far with the level of detail required of certification standards that must be avoided.<sup>148</sup> Because a certain level of flexibility is required in certification standards for them to function properly and remain relevant, there will always be some degree of abuses that occur. In those instances, resorting to the judicial system for resolution may be the natural and obvious choice.<sup>149</sup> However, by limiting use of certification marks to the registration system in the first place, anticompetitive abuses would be much diminished and courts’ burdens lightened, because many of the abuses that plague certification mark use (standard abuse, lack of control, and inaccessibility of certification standards) would be resolved at the procedural level as opposed to allowing protection of certification marks under common law as well.

### CONCLUSION

It is clear that “[a] certification mark is a special creature created for a purpose uniquely different from that of an ordinary service mark or trademark.”<sup>150</sup> It is clear that certification marks differ from trademarks in that they indicate collective origin as opposed to unique commercial origin, and

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146 Fromer, *supra* note 23, at 192 (quoting Jason Bailey, *The Funniest MPAA Ratings Descriptions of All Time*, FLAVORWIRE (Jan. 9, 2015), <http://flavorwire.com/498012/the-funniest-mpaa-ratings-descriptions-of-all-time> (quoting these descriptors)).

147 Cf. Jonathan M. Barnett, *Intermediaries Revisited: Is Efficient Certification Consistent with Profit Maximization?*, 37 J. CORP. L. 475, 480 (2012) (“Any intervention into a certification market must balance the risk of future regulatory failure against current market failures.”).

148 Chon, *supra* note 106, at 2332 (“Consumers may face a confusing proliferation of certifications, labels, and marks.”).

149 In some instances, substantive government intervention may be necessary to clarify the meaning of certain standards, but procedural solutions ought to be employed before encouraging any type of substantive solution.

150 *In re Fla. Citrus Comm’n*, 160 U.S.P.Q. (BNA) 495, 499 (T.T.A.B. 1968).

that, unlike an owner of a trademark, an owner of a certification mark is not permitted to use the mark on his own goods or services. However, it is not clear, based on existing scholarship, whether certification marks have common-law protection like trademarks. Besides a few arguably unpersuasive cases pertaining specifically to indications of regional origin, no authority has held that certification marks as a whole enjoy such protection outside federal registration.

Existing problems with certification mark enforcement under the federal registration system include anticompetitive standard abuse, little to no enforcement of certification standards, and inaccessibility of certification standards and revisions. These three problems would be exacerbated under a common-law regime. When the Lanham Act was codified in 1946, it essentially codified existing common law for trademarks, but no such common law existed for certification marks. Thus, common law is an ill-suited form of protection for certification marks.

The current federal registration system should address existing shortcomings of certification mark protection by specifying a certain level of detail to be included in certification standards, requiring publication of those standards, and requiring mark owners to record and report all decisions to either grant or deny use of their marks. These procedural improvements will significantly decrease the number of abuses that occur with certification marks, but they will not prevent all abuses. Some unique situations may require the government to substantively intervene in order to ensure that certification marks continue to be used in a procompetitive manner.



